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January 16, 2007

TO: Each Supervisor  
FROM: Bruce A. Chernof, MD,  
Director and Chief Medical Officer  
SUBJECT: METROCare IMPLEMENTATION PLAN UPDATE

This is to provide your Board with a report on the status of the MetroCare Implementation Plan to date. The MetroCare Implementation Plan is on schedule and all actions have been completed on or ahead of the original timeline (Attachment 1 – MetroCare Update Week Ending January 13, 2007).

A number of actions on the Implementation Plan were accelerated due to the unanticipated withdrawal of approximately 250 Drew University residents on December 1, 2006. Actions that occurred ahead of schedule as a result of the loss of the residents include: 1) Establishment of a contract with California Emergency Physicians for management of the King-Drew Medical Center (KDMC) Emergency Department and Urgent Care Center; 2) Establishment of contracts with St. Francis and St. Vincent Medical Centers and associated physicians to provide interim inpatient medical-surgical beds and critical care services on an as needed basis; 3) Began opening 32 medical-surgical beds at Rancho Los Amigos; and 4) Closure of the psychiatric emergency room. These actions were completed on December 1, 2006 with the exception of opening 32 beds at Rancho which began on November 13, 2006. The withdrawal of the residents led to the need to establish a contract for hospitalist and intensivist physician services at KDMC. This was also accomplished on December 1, 2006.

There have been no significant disruptions in the availability of services as a result of the MetroCare transition or the withdrawal of the Drew residents and no negative outcomes have been reported.

#### BACKGROUND

On October 17, 2006 your Board approved the MetroCare Implementation plan. The MetroCare Implementation Plan was developed in response to the notification from CMS on September 22, 2006 that KDMC had failed 9 of 23 conditions of participation on its most recent CMS survey and that CMS would terminate KDMC's CMS contract effective November 30, 2006, resulting in an immediate loss of approximately \$200 million a year. The MetroCare plan transforms KDMC to Martin Luther King, Jr. – Harbor (MLK-Harbor) Hospital under the direct operational and clinical management of MetroCare regional executive leadership drawn from Harbor-UCLA Medical Center. MLK-Harbor will be a 114 bed community hospital providing general adult medical, surgical, and low-risk obstetrical and gynecological care with a basic emergency room. A new Multi-Service Ambulatory Care Center (MACC) will result in an

expansion of outpatient services. Complete outpatient services continue at the hospital while the MACC is developed over the course of this year. The transition from KDMC to MLK-Harbor will result in no net loss of inpatient beds although they will be arrayed differently with other DHS hospitals opening beds as the number of beds at KDMC decrease. The MLK-Harbor emergency room will provide the same level of service and the same number of visits as the current emergency room.

#### **SERVICE CHANGE #1**

Service Change #1 was completed on schedule by November 30, 2006.

- NICU, PICU, Inpatient Pediatrics, and High Risk Obstetrics were transferred to Harbor-UCLA on November 28, 2006. All new beds and staffing were reviewed and approved by State DHS prior to operation.
- On October 19, 2006 DHS requested that CMS approve a 12 month extension to KDMC's Medicare certification. On November 21, 2006 CMS extended the termination of KDMC's Medicare provider agreement from November 31, 2006 to March 31, 2007.
- Patient transportation services between KDMC and Harbor-UCLA began on December 1, 2006. Current transportation services are available Monday through Friday, 7:00 a.m. to 5:00 p.m. Additional transportation services are being developed based on need.

In addition to actions in Service Change #1, DHS also implemented the following actions during this time period:

- Advanced Life Support (ALS) ambulances were stationed onsite at KDMC on December 1, 2006 to provide transportation to Harbor-UCLA and other DHS and contract hospitals.
- KDMC staff from the NICU, PICU, and High Risk Obstetrics were interviewed and staff were selected and relocated to Harbor-UCLA for retraining and assignment to these units.

#### **SERVICE CHANGE #2**

Service Change #2 was completed on schedule by December 15, 2006.

- Rancho Los Amigos National Rehabilitation Center began staffing medical-surgical beds on November 1, 2006 in anticipation of opening additional beds to serve KDMC patients.
- Olive View-UCLA Medical Center began staffing medical-surgical beds on December 1, 2006 in anticipation of opening additional beds to serve KDMC patients.
- The Psychiatric Emergency Room on the KDMC campus was closed on December 1, 2006. This action was completed ahead of schedule due to withdrawal of the Drew University residents.
- Management of adult inpatient psychiatric services on the KDMC campus was transferred to LAC+USC Medical Center on December 15, 2006.

#### **SERVICE CHANGE #3**

Service Change #3 is anticipated to be completed on schedule by March 1, 2007.

- Began opening 32 medical-surgical beds at Rancho Los Amigos on November 13, 2006. Rancho opened a 30 bed unit and increased staffing on another unit for a total of 32 beds. This action was completed ahead of schedule due to withdrawal of the Drew University residents.



- DHS deferred opening 23 medical-surgical beds at Olive View-UCLA Medical Center. Patients are currently being effectively served by Rancho and contract hospitals. These hospitals are more geographically convenient for KDMC patients and are able to meet the current demand for inpatient beds.
- DHS is currently going through the process of selecting KDMC staff who will be assigned to the new MLK-Harbor Hospital.
- Contracts with private hospitals (St. Francis/St. Vincent) to provide interim inpatient medical-surgical beds and critical care capacity on an as needed basis were completed on December 1, 2006. Negotiations are ongoing with additional hospitals. This action was completed ahead of schedule due to withdrawal of the Drew University residents.
- Contracts with private physicians at these hospitals for coverage of KDMC patients were also completed on December 1, 2006. This action was completed ahead of schedule due to withdrawal of the Drew University residents.

#### **SERVICE CHANGE #4**

Service Change #4 was completed on schedule by January 8, 2007.

- Management of the KDMC Urgent Care Center was transferred to the Emergency Department contractor (California Emergency Physicians) on December 1, 2006. This action was completed ahead of schedule due to withdrawal of the Drew University residents.
- Rancho Los Amigos has begun staffing recruitment in anticipation of opening additional medical-surgical beds at Rancho. Final selection is dependent on KDMC employee mitigation assignments anticipated in February 2007. Additional staffing for Olive View-UCLA Medical Center has been deferred since patients are currently being effectively served by Rancho and nearby contract hospitals.

#### **SERVICE CHANGE #5**

Service Change #5 is in progress. To date DHS has completed the first task of Service Change #5.

- Management of the KDMC Emergency Department was transferred to the contractor (California Emergency Physicians) on December 1, 2006. This action was completed ahead of schedule due to withdrawal of the Drew University residents.

#### **KDMC SERVICE INDICATORS**

DHS has been closely monitoring services provided at KDMC. At the request of State DHS and CMS in November 2006, the Department appointed a monitor who is responsible for assessing care at KDMC and reporting any concerns to DHS. A weekly review of progress and concerns is conducted by DHS with the State and CMS. On December 24, 2006 State licensing conducted a site visit to KDMC to review services in the ER and psychiatric unit. They reported no concerns.

The number of emergency department, urgent care, and ambulatory care visits for the weeks before and after the service changes has been generally level except for fewer visits during holiday weeks. There was little variation in total triage time in the emergency department (time in minutes from arrival in the ED to ED bed assignment) which was an average of 131 minutes in November 2006 and 137 minutes in December 2006. There was a modest decrease in the number of ED patients who left without being seen which was 7.7% in November 2006 and

5.0% in December 2006. Inpatient beds have moved from KDMC to other DHS and contract hospitals but there has been no net reduction in beds. From December 1<sup>st</sup> to December 31<sup>st</sup>, 2006 there were a total of 208 transfers from KDMC to other DHS or contract hospitals. DHS will continue to monitor these trends and will keep you informed of any significant changes in KDMC service levels.

#### **EMPLOYEE MITIGATION AND TRANSFER**

A staffing plan for MLK-Harbor is being completed. The Department is currently going through the process of identifying staff who will be offered positions at the new MLK-Harbor Hospital and developing a mitigation plan for the remaining KDMC employees. The majority of interviews with KDMC staff who requested to be interviewed for MLK-Harbor positions have been conducted and the remaining are scheduled to be completed in January. Shortly thereafter the Department will inform employees who were recommended for the new MetroCare model of their work assignment to be effective March 1, 2007. Employees who did not request to be interviewed for MLK-Harbor positions and those who interviewed but were not selected will be notified of their work assignments in February. Employees who are assigned to MLK-Harbor will receive training that is coordinated by Harbor-UCLA.

The significant upcoming milestones on the MetroCare Implementation Timeline and Bed Map are employee mitigation and transfer, opening of additional medical-surgical beds at Rancho, completion of additional contracts with private hospitals for interim inpatient medical-surgical beds and critical care capacity, and the opening of MLK-Harbor Hospital under MetroCare management with 42 beds (30 medical-surgical beds and 12 ICU-CCU beds) on March 1, 2007. In addition, DHS is continuing planning for the Multi-Service Ambulatory Care Center. Policies, procedures, and bylaws are under development and are anticipated to be effective with the opening of MLK-Harbor Hospital.

The Department is currently updating the MetroCare Implementation Timeline and Bed Map which your Board approved on October 17, 2006 and the Department will be reporting back to you soon. Please let me know if you have any questions.

BAC:ct

Attachment

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors